GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:26
ANSWERED ON:03.02.2017
Branch Expansion Policy
Manjhi Shri Hari;Singh Shri Devendra (Alias) Bhole Singh

Will the Minister of FINANCE be pleased to state:

(a) the salient features of the branch expansion policy of the Public Sector Banks (PSBs);
(b) the number of PSBs branches opened in the rural areas during the current plan period, year-wise;
(c) whether the Government has received representations from the Public Representatives for opening of new branches of Scheduled Commercial Banks/installation of ATMs under Sansad Adarsh Gram Yojana (SAGY) in the country and if so, the details thereof;
(d) the follow up action taken thereon; and
(e) the time by which new branches of banks are likely to be opened under the said scheme?

Answer

THE FINANCE MINISTER

(a) to (e):- A Statement is laid on the Table of the House.
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Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. *26 (6th Position) for 3rd February, 2017 by Shri Hari Manjhi, M.P. and Shri Devendra Singh Bhole, M.P. regarding "Branch Expansion Policy"

(a) to (e) Opening of bank branches is the decision of the banks taken in accordance with the branch opening policy of Reserve Bank of India. To promote financial inclusion and to extend the banking network in unbanked areas, Reserve Bank of India (RBI) has granted general permission to domestic Scheduled Commercial Banks including Public Sector Banks (excluding Regional Rural Banks) to open branches at any place in the country, without seeking prior approval of RBI in each case, subject to:
(i) at least 25 percent of the total number of branches opened during a financial year being opened in unbanked rural area (Tier 5 and Tier 6 centres).
(ii) RBI has also specified that the total number of branches opened in Tier 1 centres during the financial year cannot exceed the total number of branches opened in Tier 2 to Tier 6 centres and all centres in the North Eastern States and Sikkim.
RBI has informed that Public Sector Banks have opened 1674 rural branches during the financial year 2012-13, 3069 rural branches in 2013-14, 1985 rural branches in 2014-15, 1062 rural branches in 2015-16 and 249 rural branches in 2016-17 (upto 30.09.2016).
The department receives representations from the Public Representatives for opening of new branches of Scheduled Commercial Banks and for installation of ATMs which are taken up with concerned State Level Bankers' Committees (SLBCs) and followed up in the SLBC meetings.

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